

VZCZCXRO9257
PP RUEHKW RUEHLN RUEHVK RUEHYG
DE RUEHTI #1208/01 3311605
ZNR UUUUU ZZH
P 271605Z NOV 06
FM AMEMBASSY TIRANA
TO RUEHC/SECSTATE WASHDC PRIORITY 5113
INFO RUCNEEC/EASTERN EUROPEAN COUNTRIES COLLECTIVE
RUEHC/DEPT OF LABOR WASHDC
RUEHBS/USEU BRUSSELS
RUEHNO/USMISSION USNATO 3346
RUEHVEN/USMISSION USOSCE 2225

UNCLAS SECTION 01 OF 03 TIRANA 001208

SIPDIS

SIPDIS

STATE FOR EUR/SCE (EKOTHIEMER AND CRIEHL)

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [PHUM](#) [ELAB](#) [ECON](#) [AL](#)

SUBJECT: TRADE UNION POWER STRUGGLE INTERRUPTS WORK OF THE
NATIONAL LABOR COUNCIL

¶1. (SBU) SUMMARY. With dwindling membership and waning societal influence, the Albanian trade union organization that helped bring down the communist regime has been further weakened by an internal power struggle. This struggle has pitted Gezim Kalaja, long-time trade union confederation president, against Gezim Qato, a challenger who, until recently, enjoyed the tacit support of the government. Speculation has been rife that at the heart of the issue was control over considerable union property assets. The government used this conflict as a pretext for not convening the National Labor Council (NLC). Critics charged that failure to convene the NLC effectively silenced the voice of labor during a period when the government introduced several pieces of legislation with a direct impact on workers. After stalling the work of the NLC for almost a year, on September 28, the government abruptly reversed course and convened the NLC, with Kalaja as the trade union representative. END SUMMARY.

Background

¶2. (SBU) The Albanian Union of Independent Trade Unions (known as the BSPSH) is a confederation of ten independent trade unions and is one of two umbrella organizations created out of the former Albanian Union of Professionals (known as the BPSH), the single workers' union that was an arm of the former communist party. The other successor trade union is the Confederation of Albanian Trade Unions (known as the KSSH).

¶3. (SBU) During the communist period, the BPSH owned and operated resorts and workers' camps throughout Albania. Most of these properties were located along the coast or in other prime vacation spots. In 1992, then-President Sali Berisha issued a decree granting control of all property of the BPSH to the newly formed successor unions for a period of 20 years. According to Kosta Barjaba, Chief of Cabinet at the Ministry of Labor, before the pyramid crisis of 1997, many of the assets of the constituent unions were privatized by unscrupulous union leaders who pocketed the proceeds. Other properties have been taken away from the unions by the courts and returned to previous owners. Nevertheless, the unions still control considerable assets, including beachfront properties all along the Albanian coast, estimated to be worth tens of millions of Euros.

¶4. (SBU) The current power struggle in the BSPSH is between Gezim Kalaja, head of the miners' union and, since 2001, BSPSH President, and Gezim Qato, long-time head of the transportation workers' union and pretender to the BSPSH

leadership position. With once as many as 100,000 members, the miners were one of the most powerful constituents of the BSPSH. As their leader, Kalaja helped organize the civil society protests that precipitated the collapse of the communist government in 1991. According to Barjaba, following the collapse of communism, the former communist trade union split along political lines. The KSSH aligned with the Socialist Party (SP) while the BSPSH aligned with the Democratic Party (DP). Both confederations set up parallel structures, having similar constituent trade unions (i.e., health, education, miners, transportation, etc.).

STRUGGLE FOR THE LEADERSHIP OF THE BSPSH

¶5. (SBU) The struggle between Kalaja and Qato for leadership of the BSPSH began in December 2004 when Qato convened an extraordinary congress of the BSPSH. According to Qato, such a meeting, called outside of the regularly scheduled congress, may be convened by a majority of leaders of the unions without the authorization of the president. At this extraordinary congress, eight of ten leaders of the constituent unions elected Qato as the new president of the BSPSH with a four-year mandate. Only the leaders of the education and health unions remained loyal to Kalaja.

¶6. (SBU) In an attempt to forestall Kalaja from convening the regularly scheduled congress in December 2005, Qato submitted documents to the Tirana District Court requesting that he be recognized as the legitimate head of the BSPSH. In October 2005, the court agreed with Qato and granted this recognition. Nevertheless, Kalaja convened the regularly scheduled congress of the BSPSH in December 2005 that

TIRANA 00001208 002 OF 003

included observers from the International Confederation of Free Trade Unions (ICFTU). During this congress, Kalaja was re-elected president of the BSPSH and the ICFTU certified the election results.

¶7. (SBU) On July 4, the Tirana District Court, ruling on a countersuit filed by Kalaja challenging the legitimacy of the December 2004 extraordinary congress, issued a temporary stay suspending the first decision of the lower court and all of the decisions taken by the extraordinary congress, including the election of Qato as the leader of the BSPSH. Kalaja said the final decision of the court would be handed down in December.

¶8. On July 13, a visiting delegation from the Brussels-based ICFTU told Poloff that the extraordinary congress convened by Qato was illegitimate because, as per the internal rules of the BSPSH, the ICFTU was not notified about the congress in advance, no international observers were present, and only the constituent union leaders participated (i.e., the rank and file members were not included). While in Albania, the delegation also had meetings with the President, Prime Minister, and the Minister of Labor during which they conveyed the same message. They informed Poloff that they drove home the point that labor policy, including the functioning of trade unions, was among the factors considered for membership in the European Union.

WORK OF THE NATIONAL LABOR COUNCIL STALLED

¶9. (SBU) Under Albanian law, the Ministry of Labor must convene the National Labor Council (NLC) every three months. The NLC must then invite ten representatives of the workers (i.e., unions), ten representatives of employers, and seven representatives of the government. After an initial meeting shortly after the Berisha government took office in September 2005, the NLC did not convene again until September 28, 2006. According to Kol Nikollaj, President of the KSSH, under

Albanian law the government must first consult with the NLC before proposing any legislation that would impact workers. Since taking the reins of power, the Berisha government has passed legislation for pension reform, social security administration, and unemployment compensation, all without convening the NLC.

¶10. (SBU) Barjaba told us that the NLC had not been convened for almost a year, pending the outcome of the Kalaja-Qato legal dispute. Both Nikollaj and Kalaja, as well as media commentators, were vocal in their view that the government was exploiting the internal power struggle as a pretext for not convening the NLC. Accordingly, the government was effectively denying the trade unions a voice in legislation affecting workers.

¶11. (SBU) In mid-September, the government changed course and convened a meeting of the NLC to which Kalaja was invited to represent the BSPSH. Kalaja told Poloff that over the past month the government position has changed 180 degrees. Now, not only was he invited to represent the BSPSH on the NLC, but he was also elected deputy chair of the NLC, something that would have been impossible without the support of the government.

BEHIND THE SCENES MACHINATIONS AND OTHER MOTIVES

¶12. (SBU) According to Kalaja, Berisha personally orchestrated the move to have him ousted from the leadership of the BSPSH in retaliation for his refusal to encourage his union members to participate in protests Berisha organized in 2003, when he was the leader of the opposition. It was shortly after this that Qato first emerged as a challenger to Kalaja for the leadership position. Nikollaj said that Qato had close ties to the DP, as evidenced by the fact that during the 2005 parliamentary elections, Qato campaigned for Berisha.

¶13. (SBU) For Qato, the motivation would appear to be financial. With high unemployment and dwindling membership, revenue from union-owned properties is the principal source of funding for the unions. Both Kalaja and Qato have told the Embassy that at the heart of the conflict over the BSPSH leadership position was control over these properties (more

TIRANA 00001208 003 OF 003

specifically the revenue streams they generate). Each accused the other of being motivated to hold the leadership position solely by the prospect of personal gain. According to Barjaba, though changes in Albanian law now specifically prohibit union bosses from selling property, the government is virtually powerless to oversee union finances and thus can do little to prevent misuse of funds.

COMMENT

¶15. (SBU) The government appears to be backing away from the efforts of one of its party militants to assume the leadership position of the BSPSH. International community interest in this issue, including our own, served to remind the government that civil society actors, including the trade unions, contribute to the social dialogue and that their voice should be heard. END COMMENT
RIES